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UNCLAS SECTION 01 OF 05 SAO PAULO 000447

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DEPARTMENT FOR WHA/FO, WHA/BSC, WHA/PDA, INL
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NSC FOR FEARS
TREASURY FOR JHOEK
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PARIS FOR ECON - TOM WHITE

C O R R E C T E D C O P Y - REFORMATED MARGINS

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TAGS: [SNAR](#) [PGOV](#) [PREL](#) [KJUS](#) [ASEC](#) [BR](#)
SUBJECT: ASSISTANT SECRETARY PATTERSON'S VISIT TO SAO
PAULO, MAY 15, 2007

REF: (A) SAO PAULO 58; (B) SAO PAULO 36
(C) 06 SAO PAULO 887 AND PREVIOUS
(D) 06 SAO PAULO 573 AND PREVIOUS

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

SUMMARY

1. (SBU) During her May 15 visit to Sao Paulo, INL A/S Anne Patterson participated in a roundtable with police, prosecutors, and other experts, who discussed the First Capital Command (PCC) criminal organization (see refs C-D) and the different experiences of Sao Paulo and Rio de Janeiro with gang violence and drug trafficking. She lunched with a prominent academic who shared the knowledge gained in years of research in crime and violence issues and insights into how to change law enforcement culture. Following a visit to the DEA wire room, she met with Sao Paulo Governor Jose Serra and senior members of his public security cabinet. The visit highlighted both the seriousness of the challenge posed by drug-trafficking gangs and the determination of Sao Paulo authorities to confront it. NAS is developing a response to a number of specific training and equipment requests from the State Secretariat of Public Security.
End Summary.

GANGS OF SAO PAULO

2. (U) A/S Patterson participated in a roundtable with

police, prosecutors, and other crime and violence experts. Her visit coincided with the first anniversary of the outburst of violence (ref D) orchestrated by the First Capital Command (PCC), which paralyzed Sao Paulo for several days in mid-May 2006. The current capabilities of the PCC, and of law enforcement authorities to combat it, were the focus of the discussion. Jose Vicente da Silva, a retired military police colonel who is currently a private security consultant, stated that organized crime grew in Sao Paulo partly because of the police's weak intelligence-gathering capabilities. The police were incapable of identifying the growth of drug trafficking, how criminal groups' weapons enter Brazil and who were the criminal organizations' leaders. A major additional reason for the growth of crime in recent years is that gangs use Sao Paulo's advantageous economic situation and better public infrastructure to their benefit. About half the drugs trafficked from Bolivia are consumed domestically, he estimated, with the other half exported to Europe. Silva added that another factor leading to the strength of the PCC criminal organization is the state's inability to control the prison system. The number of prison inmates in the State of Sao Paulo has increased dramatically from 60,000 to 150,000 and today's state prisons are seriously overcrowded. Gangs like the PCC take advantage of the failing prison system to increase their strength. Only after the May 2006 period of PCC-instigated looting and destruction, when police were targeted indiscriminately, did military-civil police cooperation improve and serious information-sharing begin, Silva commented.

13. (U) State Civil Police Organized Crime Division Chief

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Gaetano Vergine stated that the authorities have successfully prosecuted several PCC leaders, including some PCC bosses who live in Sao Paulo's periphery. Security consultant Silva noted that while Sao Paulo police technology and training has developed significantly, Rio de Janeiro's police is corrupt, has limited training, and hesitates to arrest offenders or push for their prosecution.

14. (U) Marcio Sergio Christino, a state public prosecutor with the Special Action Group for Repression of Organized Crime (GAECO), said the PCC has a monopoly over the prison system. PCC leaders are constantly perfecting their capabilities and efficiency, and the group is beginning to focus not just on immediate action but medium- and longer-terms goals, he warned. He dismissed the idea that the PCC is involved with international criminal groups such as the FARC in Colombia, though he acknowledged that the PCC does have contacts in other parts of Brazil. Christino noted that even though crime lords are dispersed throughout the Sao Paulo prison system instead of being concentrated in jails affiliated with particular neighborhoods, as is the case in Rio de Janeiro, the PCC is still extremely effective in spreading violence. During the May 2006 uprising, the PCC issued a command to stage attacks all over town rather than focus on certain points in the city as the gangs in Rio tend to do, he said. Christino also noted that Sao Paulo's favelas (urban slums) are not impenetrable fortresses to police as are the favelas in Rio.

SAO PAULO VERSUS RIO GANGS: WHO IS THE BEST NEIGHBOR?

15. (U) Christino stated that in Rio de Janeiro, since the government has completely abandoned the favelas, criminal gangs move in to fill the social services vacuum left behind. While Sao Paulo's PCC is effective in building community support by supporting inmates' families, including providing them with transportation to visit incarcerated relatives, the PCC is primarily focused on drug trafficking and has yet to provide social

services like its counterparts do in Rio. Bruno Paes Manso, a journalist who writes frequently about crime and public security issues for large circulation daily "Estado de Sao Paulo", disagreed, stating that PCC leaders are attached to the neighborhoods in which they grew up and now operate. They support popular soccer teams and sales of home-made items in neighborhood churches, and even sponsor concerts for young Brazilians. According to Manso, although the PCC primarily uses the drug trade and the profits it generates to increase its strength, it has actually begun establishing order in previously unsafe neighborhoods through consolidation of criminal activities in these areas. "In the 1990s we had disorganized crime characterized by killings involving small-time drug dealers, but since Marcos Willians Camacho, aka Marcola, took over the PCC some years back, drug trafficking and related crimes are organized and controlled. He mused that the PCC and other gangs actually operate like many businesses, even maintaining marketing departments.

FURTHER CHALLENGES

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¶6. (U) When A/S Patterson asked about prisoners' use of cell phones to conduct illicit activity, Civil Police Division Chief Vergine responded that restricting cell phones in prisons is the principal means of curbing the PCCQs strength. GAECO prosecutor Christino noted that the PCC could not have orchestrated last year's violence without extensive cell phone use and that eliminating such use would lead to a significant reduction in overall criminal activity. He noted, however, that experts want to know who would block cell phone signals: the state or private cell phone companies? Another challenge in reducing crime is that Brazilian law only allows one year of "special regime" (solitary confinement combined with other restrictions) for even the most problematic prisoners. The state prisons also suffer from weak administration and poor management practices, he added, with guards often doing only what they are specifically ordered to do rather than taking initiative to identify and address potential problems. Security expert Silva lamented the fact that prison officials are not police officers and therefore lack proper training. The excess number of prisoners is a further problem, he added. He called for more prison administration courses and complained that an initiative to modernize Brazil's prison system has sat idle in Congress of five years. Based on Brazil's history under a dictatorship, prisoners are still widely viewed as victims rather than criminals, he concluded.

ASSESSING LOCAL LAW ENFORCEMENT NEEDS

¶7. (SBU) Nancy Cardia, a leading academic who heads the University of Sao Paulo's Center for the Study of Violence, outlined some ways in which USG assistance might help Sao Paulo authorities in dealing with organized crime and drug trafficking. Cardia noted that both the police and prisons required serious reforms, although she acknowledged that this would be a costly and lengthy undertaking. She suggested that USG assistance centered on modernizing the police's anti-narcotics unit might be more realistic and effective in the short to medium term. Likewise, she touted community policing as a key area where the U.S. had considerable experience that might be shared with local law enforcement authorities and civic leaders. Similarly, Cardia said the police needed access to up-to-date periodicals, which they currently lack. She added that this would be a relatively low-cost item that the USG could provide in a timely way.

¶8. (SBU) DEA arranged a visit to the Federal Police's "wire room" (telephone intercept center) in Sao Paulo, which underscored the exemplary dedication as well as the impressive capabilities of these agents, who collectively are able to monitor seven different languages as well as different

dialects. The Federal Police also provide critical cooperation in key DEA cases involving third-country nationals involved in narcotics trafficking activities. Federal Police officials have identified a new facility that would improve the current capabilities of this wire room, an initiative that would advance USG interests.

MEETING WITH GOVERNOR

¶9. (SBU) A/S Patterson met with Sao Paulo Governor Jose

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Serra, who was accompanied by the State Secretaries of Public Security and Justice as well as the heads of the state military, civil, and technical police. A/S Patterson addressed the difficulties involved in working with the Government of Bolivia on drug issues, especially since the GoB lifted limits on coca cultivation. All affected nations are trying to convince Bolivia to resume eradication, she said. Governor Serra stressed that drugs coming from Bolivia constitute a major problem for Sao Paulo state.

¶10. (SBU) The Governor pointed out that the state, with its population of 40 million, is almost as large as Colombia, South America's second-largest country. It has a combined total of some 120,000 civil and military police, the largest police force in the nation, as compared with only 11,000 federal police. In distributing resources, the federal government tends to treat all states as equals instead of directing more attention and resources towards the largest states or the ones that have the most serious crime problems. Because the federal police force is spread so thin, the state police must also take some responsibility for interdiction, even though they lack training in this area. The state's law enforcement capabilities must be upgraded to help it meet the serious challenges it faces with drugs, weapons and contraband coming across the borders. For example, Justice Secretary Luiz Antonio Guimaraes Marrey indicated that there are now cocaine refining facilities in the state and that some homemade explosives are found here as well. Governor Serra, reiterating that the state is carrying much of the burden, asked USG to persuade the federal government of the merits of direct U.S.-Sao Paulo cooperation.

REQUEST FOR TRAINING AND OTHER COOPERATION

¶11. (SBU) Secretary of Public Security Ronaldo Bretas Marzagao listed a number of areas where the state is interested in increased cooperation. These are encapsulated in a document that Post has shared with WHA/BSC, INL, DS, and DHS. Per refs A-B, state authorities are concerned about security in the metropolitan public transportation system; a TSA representative visited and assessed transit security

SIPDIS practices, and Post is in the process of organizing a Voluntary Visitors program for transit officials to meet with their counterparts in U.S. cities. In February, RSO sent five military and civil police candidates recommended by Marzagao's office to a DSS/ATA-sponsored Explosive Ordnance Management course in Rio de Janeiro.

¶12. (SBU) The military police wants training on detecting and neutralizing explosive devices, negotiating hostage crises and related public emergencies, and use of dogs to interdict weapons, explosive, and drugs. The civil police wants to improve its intelligence and investigation capability in the areas of organized crime, drug trafficking, money-laundering, and intellectual property crime. The scientific-technical police - a division of the civil police - wants crime scene training, techniques for analyzing drug materials, and training and expertise on DNA analysis and autopsies. Cyber-

crime is also an area of increasing concern where they would like to improve their capabilities.

¶13. (SBU) A/S Patterson noted that Brazil has sophisticated

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capabilities in a number of areas, such as combating money-laundering, but that it needs more expertise in the area of complex financial crimes. She also addressed the question of demand reduction, noting that an INL demand reduction expert had visited Sao Paulo the previous week. INL is in the process of establishing new law enforcement positions in Brazil that will enhance our ability to address Sao Paulo's priorities. She acknowledged that the phenomenon of inmates operating criminal enterprises from prisons is a hemisphere-wide problem. Other countries in the region have made progress in gaining better control of the prisons, only to lose ground again. Justice Secretary Marrey said Sao Paulo has achieved some success in this area but that gangs continue to operate in state prisons and juvenile corrections facilities.

¶14. (SBU) In closing, Governor Serra noted that he strongly favors proposed federal legislation that would allow for supervised release of some prisoners, which he said would greatly help ease the overcrowding in the state prison system. Sao Paulo wants to develop a supervised release program and is interested in the U.S. experience with prisoner monitoring procedures and devices, he said. A/S Patterson indicated that there is some very effective albeit expensive technology on the market. Serra said he would appreciate guidance on the costs and benefits of available technology.

COMMENT

¶15. (SBU) Following the PCC-led wave of violence last May, there were brief surges in the battle between the gang and the police in July and August, but things have been generally quiet in Sao Paulo since then. Nevertheless, most experts believe it is only a matter of time, and of some precipitating incident, before the PCC again shows its strength in the city and the prisons. While Governor Serra appears serious about addressing the issue, the challenges remain large. This visit served to highlight those challenges and the state's response to them, and to help identify areas where the USG can make a cost-effective contribution.

¶16. (U) This cable was coordinated with Embassy Brasilia and ConGen Rio de Janeiro, and cleared by A/S Patterson and Ambassador Sobel.

MCMULLEN